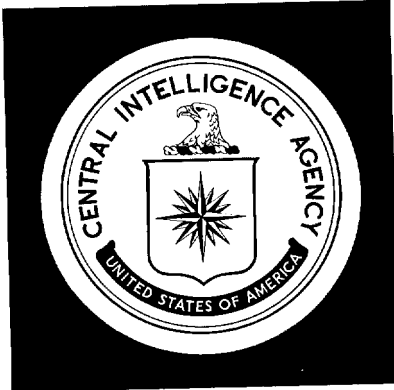


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

NAVY review(s) completed.

State Dept. review completed

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2 June 1972  
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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents pages.

### WARNING

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## THE SUMMIT AND AFTER

The summit meeting last week, together with ratification of the German treaty the week before, gives the USSR a major foreign policy success, and Brezhnev will reap the lion's share of the credit.

The Soviet media's extraordinary coverage of President Nixon's visit and the great pains being taken to justify the agreements signed during the summit suggest just how important its success is to the authorities in Moscow. *Pravda*, for example, on 30 May devoted most of its first page and all of its second, which is normally reserved for party news, to the summit. The corresponding issue of *Izvestia* spread a photo of the signing of the "basic principles" across its front page with the text of that document.

Other issues of *Pravda* and *Izvestia* have run commentaries hailing the summit as a major success for Moscow's foreign policy. They express approval of what was accomplished during the talks—in particular, the USSR's being treated as an equal by the US—and affirm that further improvement in Soviet-American relations is possible and would be advantageous to the USSR. Similar sentiments have appeared in the other major Soviet newspapers and in broadcasts beamed to audiences at home and abroad.

An equally significant post-summit development is the publication of letters from Soviet citizens endorsing the recently signed agreements as being consistent with the "peace program" set forth at the 24th Party Congress last spring. There is a certain irony in the publication of the letters. Few Soviet citizens have a very clear idea of how the talks were actually conducted, and most have yet to learn details such as the terms of the protocol accompanying the interim SALT agreement on offensive weapons or the wording of the joint communique issued on 29 May.

## Satisfaction for Brezhnev

Brezhnev clearly played the key role for the Soviet side during the most important substantive discussions with President Nixon, and the general secretary seemed to relish his opportunities for public displays of affability. His success in achieving the demotion of political rival Shelest and in transferring the top party post in the Ukraine to his own man, politburo member Shcherbitsky, doubtless contributed to his confident and expansive mood during the talks. In any event, he greeted the tangible results of his "peace program" with satisfaction, and can only be pleased that he was the one to sign the SALT agreements and the "Declaration of Principles" for the Soviet side.

At the same time, political prudence and collective sensitivities were observed. Kosygin and Podgorny participated in about half of the negotiating sessions with the President, and they exercised their protocol prerogatives as premier and chief of state, respectively. Moreover, the turnout of nearly the entire Moscow-based leadership for the opening Soviet banquet and agreement-signing ceremonies was an unprecedented demonstration of collective support for improved Soviet-American relations. Almost the entire Soviet leadership also attended the signing of the SALT agreement. Even Shelest participated prominently on that occasion. Such turnouts are a means of observing the niceties of collegiality, but they also protect Brezhnev's flank in case his detente policies falter or Soviet authorities have to head off undue euphoria about relations between Moscow and Washington.

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## VENEZUELA: RETURN OF THE GIANTS

The tandem homecoming last week of two self-exiled political giants capped a recent surge of political activism and may have provided a preview of the next election campaign. The arrival in Caracas of ex-dictator Marcos Perez Jimenez closely on the heels of ex-president Romulo Betancourt came at a moment when students were already in the streets again, over 50 terrorists' bombs had taken a heavy property toll over a two-week period, and anti-Americanism was on the rise. The presence of Betancourt and Perez Jimenez, objects of hate or admiration for many Venezuelans, spurred further demonstrations and violence.

Both former rulers came home to take soundings for the 1973 elections. The disorder

they found, while hardly typical, probably added to any sense they may have had of being needed. The unpredictability built into Venezuela's multi-party system will assume a new magnitude if the two arch-enemies indeed throw their hats into the ring. Perez' six-day stay in Venezuela will diminish the widespread belief that he is too cowardly to face the security hazards of a personal campaign and motivate pro-Perez groups who sense that the electorate wants a return to the good old days. Perez' brutal ten-year rule until his ouster in 1958 seems largely forgotten by groups disenchanted with the turmoil of the democratic process in Venezuela. Perez announced unequivocally that he is a presidential candidate, but whether his campaign will be symbolic or personal is still in question. Running in absentia in 1968 he took 11 percent of the votes, and the polls show his stock is rising.

The Democratic Action candidacy is Betancourt's for the taking. The first popularly elected president in Venezuela to serve out a full term (1959-64), he remains a heroic figure for many of his compatriots and would be tough for anyone to beat. While the 65-year-old Betancourt is not ambitious for another trying five years as president, the avowed candidacy of Perez Jimenez may present Betancourt with a case of noblesse oblige.

Despite government warnings that severe measures will be taken against anyone fomenting disorders, student riots continue in major cities, and terrorist incidents are on the rise. Apparently taking advantage of a wave of anti-American feeling that followed the Caldera administration's smear campaign against the US oil companies operating in Venezuela, terrorist groups set off numerous bombs around Caracas, many at US installations. The US Mission received threats by telephone and a shot was fired into the auto of an American official. It is entirely possible that the appearances of Perez and Betancourt may so inflame the situation as to spark further action from the insurgents.

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Perez Jimenez

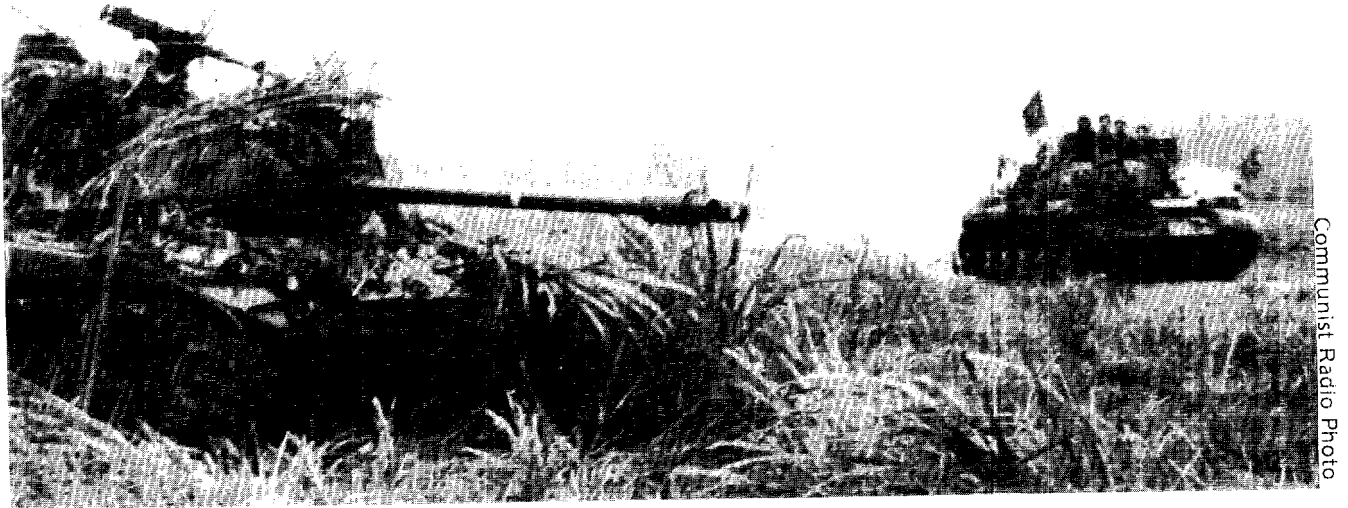


Romulo Betancourt

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## INDOCHINA



### SAIGON FORCES HOLD

South Vietnamese troops beat back Communist attacks on two of the country's three major battlefields during the week, while substantial enemy forces are withdrawing from the third. The Communists, however, are preparing for further and perhaps even heavier attacks.

The most serious threat developed over the past weekend at Kontum City, about a third of which was at one time occupied by North Vietnamese troops. Government defenders lost most of their ammunition in an explosion at their main dump, and the principal South Vietnamese headquarters in the city was subjected to heavy and accurate shelling. Communist gunners also prevented the use of the Kontum airfield.

South Vietnamese troops, supported by allied air strikes and supplied by helicopter flights into the western part of town, killed or drove back most of the attackers by 30 May, but the

South Vietnamese were still engaged in clearing operations in the eastern parts of the city on 1 June. Their outposts on the edge of the city were still under some pressure.

Captured documents and prisoners suggest that the Communists used only a portion of their available forces in the attack. They still have roughly the equivalent of three divisions in the area. Even though some Communist units have suffered heavily in combat, and nearly all have apparently taken significant losses from air strikes, this force retains a formidable offensive capability.

North of Hue, the Communists probed in strength South Vietnamese defenses along the My Chanh River early this week, forcing two government ranger battalions to pull back with heavy losses. South Vietnamese Marines plugged the gap, however, and by mid-week the My Chanh line had been stabilized. Despite the heavy pounding from the air, the North Vietnamese are

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continuing their steady buildup north and west of Hue in apparent preparations for further offensive action.

To the south, Communist pressure on An Loc has eased, and the North Vietnamese seem to have shifted their attention to the government forces strung along Route 13 south of the town. Communist shellings of an intensity heretofore reserved for An Loc itself have inflicted fairly

heavy personnel and equipment losses on the South Vietnamese along the road.

#### Communist Tanks—Mixed Results at Best

The North Vietnamese are having persistent trouble making effective use of their tanks. Part of the problem lies in the accuracy of the anti-tank missiles being used by allied aircraft and South Vietnamese ground forces, but the Communists are also having difficulty coordinating their armor and infantry movements. As a result, the tanks have often found themselves advancing without an infantry screen. The Communists show no intention of using different tactics or employing their tanks more sparingly, despite the heavy armor losses they have suffered so far.

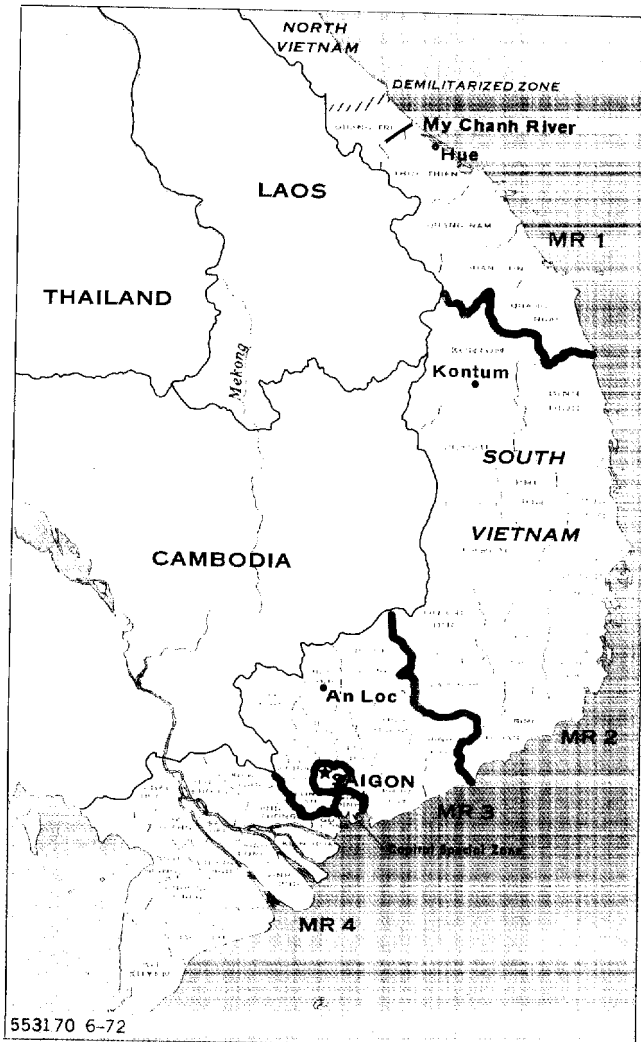
#### Thieu Seeks Political Support

President Thieu and his lieutenants are working hard to line up the necessary votes in the Senate for his emergency powers decree, but passage of the measure remains in doubt. The President is also trying to gain greater support from political parties, and he has established formal ties with a new multi-party, anti-Communist front. Some of the politicians in the front are suspicious of Thieu's motives, and, in any event, the front's prospects for developing into an influential organization are most doubtful.

The government's martial law measures generally are being accepted calmly by the populace. An announced revision in the system of student deferrals designed to permit the drafting of some 6,500 students by late summer has naturally caused discontent in the student community. Nevertheless, with many radical leaders in jail and the government prepared to take firm measures against troublemakers, any open agitation is likely to be at a minimum.

#### CAMBODIA: ON THE VERGE OF VOTING

As the country's voters prepare to go to the polls on 4 June to pick their first president, Lon

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Communist Radio Photo

Nol faces the prospect that In Tam, his chief opponent, will make a strong showing. The surprisingly popular former deputy prime minister appears to have made the most of the short campaign by emphasizing those issues on which Lon Nol is particularly vulnerable—military weakness, corruption in government, and authoritarianism. In Tam's candidacy has been enthusiastically supported by large numbers of disgruntled students, who for the first time have begun to denounce Lon Nol openly.

Although reports of In Tam's voter appeal are highly impressionistic, they do seem to have had a sobering effect on some of Lon Nol's once-optimistic backers. Some of these supporters evidently tried again to get In Tam to withdraw from the race in return for the vice presidency or the prime ministership. After In Tam publicly scorned such a deal, the military establishment began to swing into action to reverse the trend toward In Tam. Perhaps in part spurred on by In

Tam's electioneering pledge to "re-educate" the Cambodian Army to make it more effective, the high command organized sizable pro - Lon Nol parades in Phnom Penh and other population centers. There evidently has also been some minor military harassment of In Tam partisans, and several important generals have referred darkly to "coups" or the possibility of "civil war" should In Tam be elected. Such statements are almost certainly designed to intimidate the electorate into voting for Lon Nol.

As things now stand, the election looms as a net loss for the regime no matter what happens. Lon Nol probably would prefer to win in an honest contest, but neither he nor the army leaders have shown any inclination to accept a defeat at the polls. This could well lead them either to manipulate the vote count if In Tam seems headed for a victory or to resort to some extra-constitutional device to keep Lon Nol in power. In either case, the legitimacy of Lon Nol's

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position would be weakened. In view of the widespread belief that In Tam is now ahead, a final tally that gave Lon Nol a substantial majority would probably be interpreted as evidence of foul play—even if that were not the case. A narrow victory would dash Lon Nol's hope for a strong mandate, but it would have the advantage of being more palatable to In Tam and the general public.

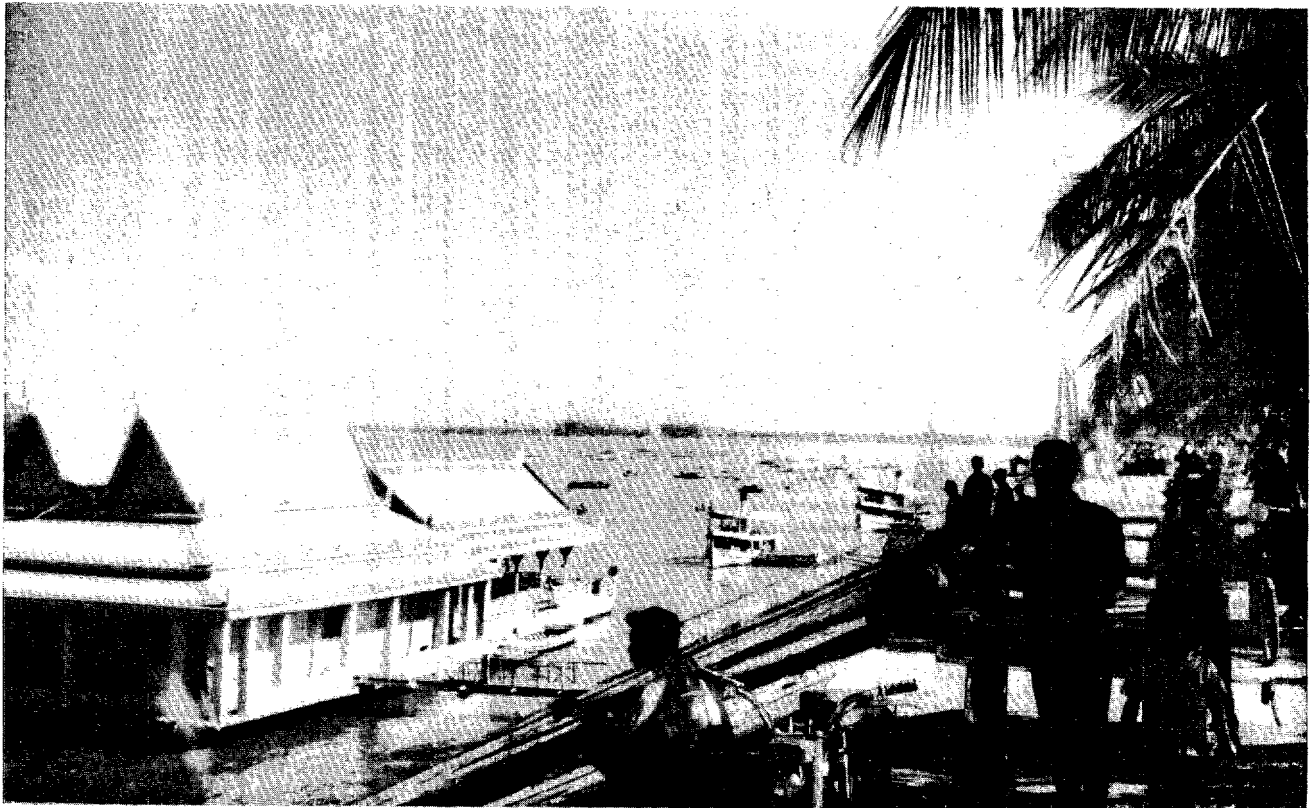
#### **The Battlefield**

Lon Nol clearly would love to have a major military victory on the eve of the election, and to this end he has now assigned 16 army battalions to the campaign to occupy the symbolically important Angkor Wat ruins. The operation has

made scant progress thus far, however, and appears to be bogging down in the face of limited but effective enemy resistance. Government units attempting to infiltrate a portion of the ruins were thrown back with heavy losses after sharp fighting on 29 May.

#### **FOILED AGAIN IN SOUTH LAOS**

Government forces this week failed in their second attempt to recapture Khong Sedone, a provincial capital taken by the Communists on 18 May. Three understrength irregular battalions moved to within three miles of the town, but were dispersed by two North Vietnamese battalions on 28 May. An attempt by a fourth battalion to take the mountain just west of

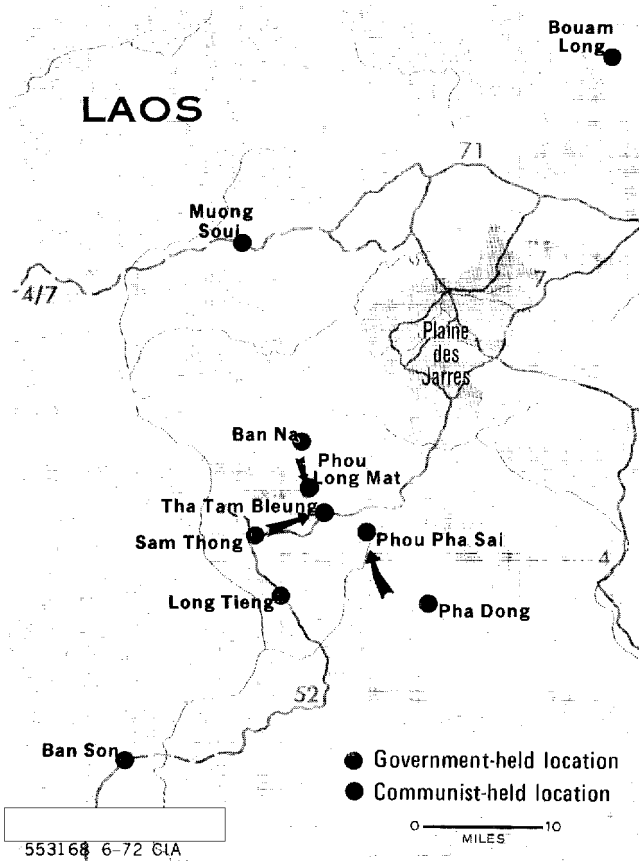


**Phnom Penh**

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Khong Sedone was also thwarted by North Vietnamese troops.

The Communists may be planning to increase pressure soon near Pakse. A recent defector claims that five infantry battalions plus some artillery and armor units will soon be used to attack the Lao Army units at the road intersection.

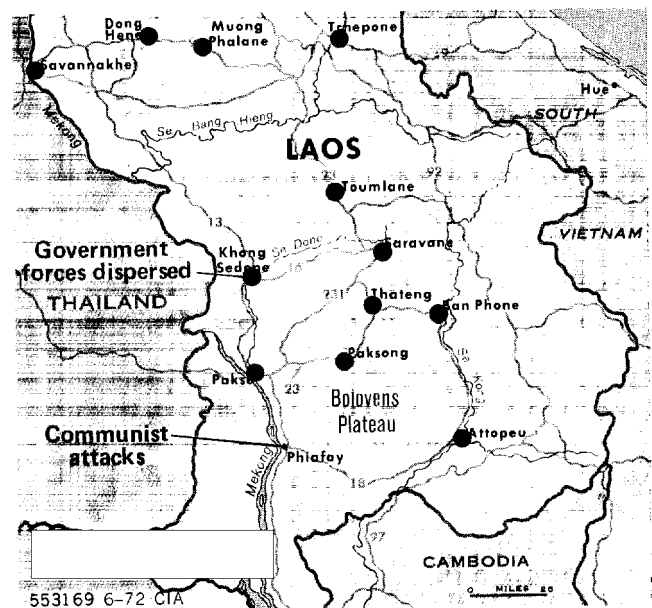
To the south, a government garrison has abandoned several positions near Phiafay town after an alleged Pathet Lao attack. US pilots state that additional Pathet Lao units recently moved to this area from the east.

The most likely purpose of these Communist actions west of the Bolovens Plateau is to tie down and inflict casualties on government units, thus forestalling a campaign to recapture the plateau during the rainy season.

### Inching Forward in the North

Vang Pao's irregulars are beginning to make some progress in their effort to take the hills southwest of the Plaine des Jarres. Advance elements of one task force have moved to within a mile of Phou Pha Sai, a strategic high point overlooking the southern Plaine. Units from another task force have advanced from Sam Thong and occupied hills four and five miles to the east. A third irregular force is north of the Phou Long Mat ridge awaiting further progress by the other groups before launching an attack on Tha Tam Bleung, which is at present the motorable limit of the Communist road from the Plaine.

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## CHINA: FLOWERS AND POISONOUS WEEDS

Peking's campaign to revitalize Chinese culture, under way since last winter, appears to be gaining momentum. Borrowing a slogan used for a brief period in the mid-1950s, "let a hundred flowers bloom," the drive has produced a flurry of exhibitions and forums in Peking and most provincial capitals. These efforts apparently are being resisted by ultra-leftist elements in the leadership who are unwilling to countenance artistic expression that deviates from the handful of "model works" popularized under the guidance of Mao Tse-tung's wife, Chiang Ching. But moderate forces, reversing the language of the Cultural Revolution extremists, have brushed aside their objections, noting that fear of "poisonous weeds" should not impede the blossoming of "fragrant flowers."

Last week, Peking's three leading publications endorsed the current drive in a widely publicized joint editorial marking the 30th anniversary of Mao's talks on literature and art. Although Peking evokes the spirit of the "hundred flowers," it is clear that the regime has no intention of permitting the current thaw to evolve into the sort of unfettered intellectual activity that resulted in stinging criticism of the regime in 1957.

the present campaign has the more limited objective of restoring literary and artistic pursuits in China to the level existing before Mao's Cultural Revolution, which brought all cultural activity to a

standstill.

current efforts on the mainland are focused on bringing back old books, rehabilitating veteran artists, expanding the limited repertory of approved operas, and promoting cultural contact with foreign countries. Indeed, some of these measures have been undertaken in a limited way over the past six months.

The drive to promote creative work has clearly put the Cultural Revolution ideologues on the defensive. During the Cultural Revolution, they sought to wipe out all vestiges of traditional Chinese culture and substitute for it a handful of sterile "revolutionary" works that glorify the role of the working masses and depict "class struggle" as the motive force behind all action.

Perhaps reflecting the deep-seated nature of this dispute, recent Chinese propaganda has tended to vacillate between the need for a genuine cultural revival and praise for Chiang Ching's works. The backing and filling has even surfaced in the sensitive area of the army's political work. During the Cultural Revolution, Chiang Ching was designated as adviser to the army on cultural matters. A Tsinghai Province broadcast on 15 May, attacking those who tried to "turn our army into a cultural contingent," seemed to be taking indirect aim at her. Five days later, there were second thoughts in Tsinghai, and the work of a local army literary and art propaganda team was hailed for being constantly on the move since late 1970."

Radical Dominance in Culture: Good-bye to All That?



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25X1 In general, however, the tide seems to be running in favor of higher cultural standards, and criticism of certain policies calling for a liquidation of literature and art is appearing more frequently. Thus, it appears that even in the cultural sphere, where they once held sway, the influence of Madame Mao and other Cultural Revolution extremists is declining. [REDACTED]

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**SECRET****USSR ROTATES MEDITERRANEAN SUBS**

The Soviet Navy is in the midst of another semi-annual submarine transfer in the Mediterranean.

Eight diesel submarines—seven F-class attack units and one J-class cruise-missile boat—are north of Algeria after entering the Mediterranean last weekend. Another F-class unit, which was part of the group that left Northern Fleet waters in early May, did not go through the Strait of Gibraltar. This lone submarine may end up in the Caribbean. During the last turnover, one of the F-class submarines did not pass Gibraltar, but eventually arrived in Cuba after operating in the Atlantic for two months.

The number of submarines in the Mediterranean will probably remain high for several more days as the outbound submarines that have been there for six months head west toward Gibraltar.

**CEAUSESCU POSTPONES TRAVEL PLANS**

President Ceausescu's decision to put off his trip to Japan, scheduled for 2-8 June, and his simultaneous postponement of a trip to Bonn,

indicate that there may be internal problems that Ceausescu feels require him to remain at home. Ceausescu's inability to schedule stops in Malaysia and Singapore also probably played a part in postponing the trip to Tokyo.

Both trips involved important objectives for Romania. A Japanese economic delegation recently visited Bucharest, and there were indications that Ceausescu was seeking a low-interest, long-term Japanese credit of \$200 million. In the case of West Germany, Ceausescu's trip was in part intended to force some movement in stalled negotiations concerning Romanian debt rescheduling.

Among the internal problems that could have figured in the trip cancellations are an unusually high number of personnel shifts in the party secretariat and the possibility of even more extensive changes at the party conference in July. Ceausescu probably decided he had best stay at home and oversee preparations for the party conclave. Furthermore, Ceausescu may be concerned that he is vulnerable to criticism because of his previous heavy schedule of foreign travel.

Rumors have it that the President was criticized for his recent trip to eight African and Asian states. Moreover, Romania has run up a huge foreign debt, and this has left him open to charges of fiscal irresponsibility, as has his failure to raise living standards appreciably over the last few years.

There is no evidence, however, that Ceausescu is himself in any trouble. The transfer of Paul Niculescu-Mizil from the party secretariat to a deputy premier slot last April had led to speculation that he had been demoted for unspecified opposition to Ceausescu. Niculescu-Mizil's appearance at Ceausescu's side during the Castro visit and again at a meeting with the North Vietnamese and Viet Cong ambassadors on 27 May, should dispel such hearsay. The cancellations do not point to a real threat to the leadership. Nevertheless, given the nature of Ceausescu's authoritarian rule, he is not likely to overlook even the slightest sign of discontent.

**MILESTONES****TITO TURNS EIGHTY**

President Tito celebrated his eightieth birthday on 25 May with one eye on domestic politics and the other on the Kremlin. He used the

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occasion to re-emphasize national unity and to remind the Yugoslavs—and Moscow—of his successful break with the Soviet bloc and of his determination to maintain a non-aligned course.

Since late winter, eager Yugoslavs had been preparing mass demonstrations of affection for the birthday. Tito, however, let it be known that he wanted no grandiose public displays that might suggest a cult of personality. This restraint was in reaction to the fears of many Yugoslavs that, in the aftermath of the Croat purges, the country was drifting toward an autocratic political system. Tito had his eventual successors share the lime-light with him during the birthday ceremonies. He called on his people to view the future with sober optimism and, setting an example of national unity, made a personally distasteful effort to smooth over his dispute with some factional elements.

Belgrade clearly wanted the event to be a family affair and privately discouraged attendance by foreign dignitaries. Tito himself set the tone on 23 May with a television interview during which he spoke about Stalin's treacherous actions against Yugoslavia—including a previously unmentioned attempt to summon Tito to Kiev "to be killed." He warned the Yugoslavs that they "must never agree to be anyone's satellite."

Tito is preparing to visit Moscow soon, possibly as early as 5 June. In the interview, he referred to mutual respect for national equality as the only basis for relations between socialist states. He specified "all" socialist states to emphasize his support for Ceausescu. Tito's comments in general read like a warning that his trip should not be viewed as a sign he is wavering. During his visit, which returns Brezhnev's to Belgrade last September, Tito is expected to concentrate on international topics, especially the recent Moscow summit.

Current Soviet smiles toward Yugoslavia are part of the larger push for detente in Europe. Moscow can ill afford an acrimonious dispute

with Tito while it is trying to promote a Conference on Security and Cooperation in Europe. The Soviets doubtless have an eye cocked on the post-Tito period when their present actions could form the basis for increasing their influence in Yugoslavia. Some of the Soviet blandishments, however, are falling on deaf ears. The Yugoslav press, for example, has barely mentioned the fact that Moscow awarded Tito his first Order of Lenin but is giving wide coverage to rumors that he has been nominated for a Nobel prize.

#### **KADAR AT SIXTY**

Party chief Kadar, who celebrated his sixtieth birthday on 26 May, received his second Order of Lenin. He is the only Eastern European leader to get two. A congratulatory telegram from the Kremlin reviewed Kadar's career, including his 16 years as head of the Hungarian regime, and praised him as a "consistent internationalist and close friend of the USSR."

This show of Soviet support is clearly designed to stifle speculation that Kadar is having serious trouble with Moscow. At the same time, both parties probably hope that a public display of amity will allow them quietly to work out their bilateral problems.

The most pressing problem stems from Hungary's poor economic performance in 1971, which has provoked high-level disputes between Moscow and Budapest. In March, the Hungarian premier, after meetings in Moscow, publicly aired some of these differences over long-term economic cooperation, but Budapest subsequently has tried to play down the significance of the disputes.

Another round of talks began on 29 May, when politburo member Reszo Nyers, who is the chief architect of Budapest's liberal economic reforms, arrived in Moscow for a discussion of current and long-term economic cooperation.

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#### **BOAC BUYS THE CONCORDE**

The Franco-British Concorde supersonic transport program passed another milestone with the announcement by British Overseas Airways Corporation that it would be the first to buy the Concorde and would put it into service in 1975. A similar announcement by Air France is expected shortly.

Although both BOAC and Air France are government owned and subject to pressures to buy an aircraft developed by their governments, their orders represent an essential step toward persuading other airlines around the world to turn options into firm orders. Most of the world's major airlines, particularly those holding options, have said that if BOAC and Air France purchase the Concorde, most of the rest would probably follow suit.

For the past few years, 16 airlines, including seven in the US, have been holding options to purchase 74 Concorde, but firm orders have awaited the final development of the aircraft. These 16 airlines carry about 70 percent of the passengers on the world's scheduled airline routes.

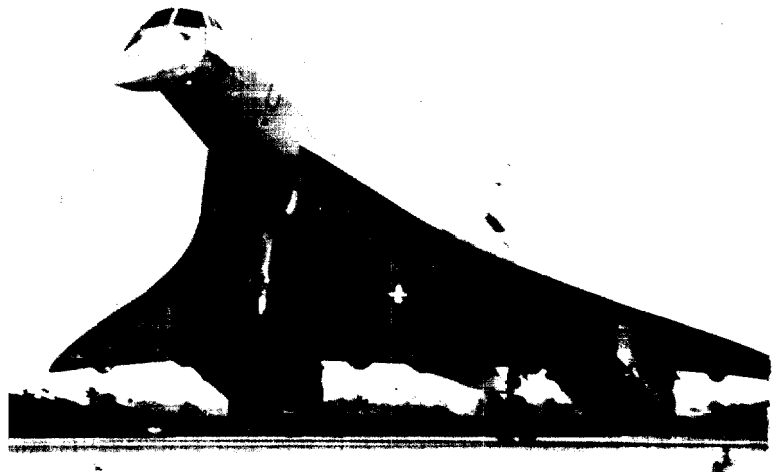
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BOAC had been holding options on eight Concorde. The announcement calls for the purchase of five aircraft without explaining whether the airline would pick up its options on the remaining three. Air France also holds options on eight Concorde, but has given no indication how many it will order.

In early 1970, Aerospatiale-France and British Aircraft Corporation, the manufacturers of the aircraft, had quoted a unit price on the Concorde of about \$20 million. The five Concorde reportedly will cost BOAC \$299 million for the package, with a basic price per aircraft of \$32 million. BOAC officials said that the costs of spares and support had come out higher than expected. In any case, the package price works out to an over-all cost on each of the BOAC-purchased aircraft of nearly \$60 million.

The price to some purchasers may be even higher. The manufacturers have stated that airlines that turn their options into firm orders within a reasonable time will receive a better price than airlines that delay or do not hold options. Even so, the Concorde will be the most expensive aircraft ever for the airlines. Although it will halve the flight time on most long-distance air routes, it will carry only about 120 passengers at premium fares.

The Concorde, nevertheless, appears more likely than ever to enter regular service with many airlines around the world. It is of no small importance that the Concorde has achieved technical success and apparently surmounted most of the problems and objections to its introduction into scheduled service. The French and British maintain that they have solved the smoke problem and abated the noise level of the aircraft. Officials of several countries, furthermore, believe that the Concorde may not have the difficulty meeting noise standards for service that some critics expect. Both BOAC and Air France continue to plan to fly the Concorde to such places as New York, Sidney, and Tokyo



## INTERNATIONAL DEVELOPMENTS

### OIL

Oil producing countries are increasing pressures on the international oil companies so that some forward movement can be reported to the general conference of the Organization of Petroleum Exporting Countries (OPEC) on 26 June. Representatives of the oil companies and OPEC have not perceptibly narrowed the gap during three rounds of discussions on implementation of 20 percent initial participation in company operations within OPEC members' borders.

The principal sticking points are Saudi oil minister Yamani's demands, on behalf of OPEC, for immediate access to 20 percent of the oil produced and agreement now on the timing for eventual assumption of 51 percent equity by the governments. The companies have not budged from their proposal for a phased-in access to oil production. They are reluctant to discuss timing on majority ownership by the governments until after an initial participation agreement is negotiated and implemented.

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Iran, negotiating separately from OPEC, appears to be making progress with the consortium of oil companies operating there. The Shah's approach has been more flexible than OPEC's rigid ownership formula. Tehran is seeking specific amounts of oil revenue and production in future years as well as expanded facilities. Negotiations will resume in mid-June on the issue of pricing the oil for the National Iranian Oil Company and marketing limitations on that oil.

The Iraq Petroleum Company is still faced with the threat of confiscatory legislation even though it has offered to resume a higher level of oil production from the northern oil fields and to reopen negotiations with the government on several long-standing issues. Oil production from Iraq's northern oil fields has dropped drastically since April, prompting the government to issue an ultimatum calling for capitulation rather than negotiations. [redacted]

[redacted] Iraqi oil from the northern fields, exported via pipeline to the eastern Mediterranean, is more costly than Persian Gulf oil right now because of low tanker rates, higher posted prices in Iraq, and pipeline transit fees.

Oil arriving at other outlets on the Mediterranean—Libya and the Trans-Arabian pipeline—has declined during the same period, but not as sharply as Iraq's production. Iraqi demands received support from OPEC and other Arab governments, particularly Syria and Lebanon, whose oil transit fees had been reduced by the cutback. The Iraqi Petroleum Company's move toward negotiation was designed to avoid a showdown at a time when company talks with OPEC and Iran are entering a crucial stage.

#### **TRADE AND MONEY**

Last week's ministerial-level meeting of the council of the 23-member Organization for Eco-

nomic Cooperation and Development underscored the difficulties of organizing intensive negotiations on trade and monetary issues over the next few years. Although the council recognized a linkage exists between trade and monetary negotiations, it did not create—as favored by the US—a new and limited-membership guidance group that would tie them closely together. Instead, the OECD secretary general has been instructed to propose ways to make the organization more effective in supporting international work on monetary and trade questions.

The disagreement over forums reflects deeper arguments. The Europeans—especially the French—fear that the US would use linked negotiations to extract one-sided trade concessions in exchange for progress on reform of the international monetary system. Moreover, while the Europeans do not agree among themselves on how flexible new monetary arrangements should be, they want priority to be given to correcting US balance-of-payments through monetary rather than trade measures.

Although the international community seems increasingly to accept that the negotiations will have an importance far beyond the purely commercial and monetary issues involved, the going will be slow. Prospects are that many months will be required even to sort out the questions of approach.

The OECD is expected to receive by mid-June a wise-men's report on the conduct and substance of future negotiations, but this report probably will not resolve all the points of difference. The precise roles of the GATT and the IMF in the negotiations, moreover, have not yet been decided. Nor have procedures been worked out to give the less-developed countries the role in the decision-making process they will insist on. [redacted]

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## **SUDAN: NUMAYRI CALLS THE SHOTS**

President Numayri's forthright speech on the third anniversary of the revolution and the removal of more leading figures underscore his confidence that he can pursue his one-man rule, despite some risk. The Numayri address emphasized that Sudan followed its own path and would not be pressured by external influences, a slap at both the Soviet Union and Egypt. He is said, however, to have dropped from the speech a more extensive criticism of Egypt, perhaps in deference to President Sadat's Arab confederation partner, Libyan Premier Qadhafi, who attended the ceremonies.

The dismissal this week of Mamun Abu-Zayd, secretary general of the Sudan Socialist Union is the latest move in what is shaping up as the systematic elimination of the other members of the original group of officers that seized power three years ago. Abu-Zayd is the third such figure ousted in the past four months. First Vice President Awadallah was dropped two weeks ago and Defense Minister Abbas in February. All three were known for pro-Egyptian inclinations. In addition to Numayri, only three members of the original coup group remain in the government, and none of the three appears to have a voice in decision-making.

The coup officers who have been ousted are clearly resentful. They are particularly embittered at being displaced by men like Major General Muhammad al-Baghir, named first vice president last week, who did not participate in the coup in 1969 and whose chief qualification for office, in their view, is subservience to Numayri.

If Numayri's critics are conspiring against him, they will probably experience some difficulty in gaining sufficient support in the army. Numayri is wary of their intentions and has placed both Abbas and Abu-Zayd under surveillance. Certain army units organized by Abbas and staffed by his supporters have been dissolved.

Numayri's house-cleaning of pro-Egyptians, and his moves to strengthen relations with the

West, have incurred Cairo's displeasure. He is aware of Egyptian meddling in Sudan's affairs but is trying to avoid an open break with Cairo. He plans to visit Libya next week, suggesting that he believes the domestic situation is well in hand.

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## **ISRAEL: WAITING FOR THE BLOW TO FALL**

Beirut and other Arab capitals this week tensely awaited Israel's almost certain retaliation for the Palestinian-sponsored terrorist assault at Tel Aviv airport on 30 May. In a speech to the Knesset the next day, Prime Minister Meir left no doubt that Tel Aviv holds Beirut primarily responsible for the incident because it has allowed Palestinian terrorists to train in and operate out of Lebanon. She warned that countries giving the fedayeen arms, money, and asylum as well as "those governments and peoples who rejoice over the murder of innocent people" must also bear responsibility. Mrs. Meir again called on the international community to take action against terrorists and countries aiding them. Foreign Minister Eban subsequently called for a boycott of Beirut by international airlines. It is clear, however, that the Israelis are not sanguine about the prospects for international action and probably will act on their own.

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**SECRET****BURUNDI: THE COST OF VIOLENCE**

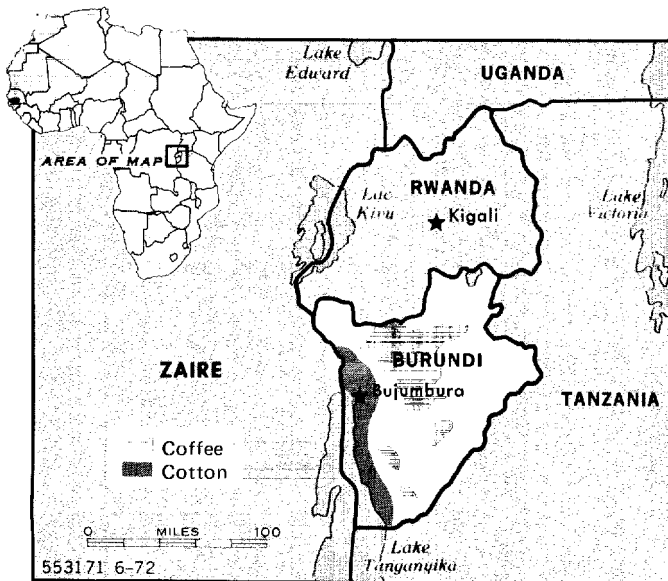
The government appears to be stepping up its efforts to restore order, and provincial officials are organizing campaigns to curb widespread reprisals against Hutus in the countryside, but some systematic roundups of Hutus are still being carried out, at least in the capital. During the past five weeks, the Tutsi-dominated government has played on popular fears of a nationwide Hutu uprising and has tacitly endorsed popular reprisals against the Hutus. The government now is likely to find it difficult to dampen such fears, and random violence can be expected to continue for some time.

Destruction and disorganization caused by the violence will seriously curtail economic output this year. Lasting economic damage has been wrought by the killing of thousands of skilled Hutus, many with responsible economic positions. Tens of thousands of people have been displaced. Some 15-30,000 refugees have so far entered neighboring Zaire and Tanzania. Although international relief efforts have been mobilized, alleviation of conditions in the affected areas will be impeded by the lack of transportation and by continuing government purges.

The violence has affected both major export crops: coffee, which accounts for 80 percent of export earnings, and cotton, an important cash crop. Areas where coffee grows have been little touched by the violence, but marketing and transport facilities have broken down. A reduced coffee harvest will not only decrease foreign exchange earnings but will mean losses for those whose only cash income comes from coffee sales. Disruption is even greater in cotton-growing areas, where most of the violence has occurred.

Foreign aid donors are appalled by the continuing slaughter of the Hutus, the abandonment of development projects, and the use of aid-financed equipment in the purges. Donors, particularly Belgium which supplies roughly half of all foreign aid and whose nationals control much of Burundi's commerce, have hinted at future aid cuts if the government does not stop the bloodbath.

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minister has been formally designated, although Ramanantsoa has been acting in that capacity. The general had earlier appointed the commander of the national gendarmerie as minister of interior.

There are representatives of the *cotier* (coastal) tribes in the government, reflecting Ramanantsoa's intention to hold in check the rivalry between his own Merina tribesmen, a minority who dominate the army, and the *cotiers*, who have supported Tsiranana. Ramanantsoa has also appointed *cotier* gendarmerie and Merina military officers as chiefs of the island's six provinces.

Ramanantsoa evidently does not intend to oust Tsiranana in the near future. Although lacking real power, the President reportedly goes to his office frequently. An emissary sent on a fact-finding mission by Ivory Coast President Houphouet-Boigny found Tsiranana in "good form" and believing that if he lies low for a while, he will be able to regain full power later.

The students have not yet called off their strike, but they have ruled out active opposition at present. They are dissatisfied that Ramanantsoa did not immediately redress their grievances, and they are unhappy that Tsiranana has been kept in office. The students are focusing on educational reforms, specifically the lessening of French influence on the curriculum, but they are beginning to speak of liberalizing Malagasy politics. A number of seminars are now being held to formulate demands to be debated at a national student congress later this year.

#### MALAGASY REPUBLIC: NEW GOVERNMENT

General Ramanantsoa, who took power on 18 May following student riots, has put together a new government that includes four military officers and six relatively unknown civilians. Ramanantsoa retains the defense, armed forces, and planning portfolios; Didier Ratsiraka, a navy captain, will serve as foreign minister. Tsiranana remains president, at least in name. No prime

Ramanantsoa, for his part, is mainly concerned with re-establishing order and ensuring the continued functioning of the government. He has not committed the new administration to any specific policies, but he has promised that after the student congress, a constituent assembly will be convened to draft a constitution to serve as a basis for the return to civilian rule.

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### BANGLADESH: PROBLEMS MOUNTING

With food shortages and resultant disturbances apparently on the rise in several parts of the country, public criticism of the government has been increasing. Prime Minister Mujib and several other leading political figures are voicing considerable concern. In addition to the food problem, the government also faces other serious economic difficulties, including sluggish industrial and agricultural production, shortages of consumer goods and raw materials, widespread unemployment, and inflation. Moreover, the regime still suffers from a lack of experienced administrators at all levels.

Mujib himself continues to enjoy wide popularity, and opposition groups remain fragmented. The persistence of massive privation, however, may soon lead to more frequent disturbances and to greater support for leftist opposition groups. As things grow worse, some politicians may seek to place the blame for the country's difficulties on various scapegoats—foreign governments including the US, members of the ruling Awami League and, eventually, Mujib himself.



### URUGUAY: A MEASURE OF SUCCESS

Government operations against the Tupamaros may have permanently damaged the terrorist organization. During the past six weeks, combined police and military units have captured approximately 200 terrorists and seized valuable Tupamaro assets, including arms caches, a "people's jail," and an underground hospital. These unprecedented successes have bolstered the military's image and improved President Bordaberry's relations with his political opponents.

The military forces scored an important psychological victory over the Tupamaros by freeing two prisoners the Tupamaros had held captive

for more than a year. This marked the first time the government had managed to release a Tupamaro prisoner and constitutes a major setback for the terrorists, who have frequently boasted of their ability to hold prisoners indefinitely.

The Tupamaros have publicly admitted their current difficulties but promised to continue their struggle against the state and may attempt a

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spectacular operation to underscore their determination. Despite this reaffirmation, it appears that the morale of the terrorists has suffered a serious blow and that their leaders will have to tighten internal security procedures and reconstruct broken communication channels.

Meanwhile the Colorado government, having taken the initiative away from the Tupamaros, is trying to reach an accord with the opposition Blancos. President Bordaberry is expected to address the nation later this week to announce the outcome of his effort to put together a governing coalition of Colorados and Blancos.

Since taking office on 1 March, Bordaberry has been pressing Blanco leaders to join his administration. His early efforts to reach a "national accord" were aimed at bringing liberal Blanco

leader Wilson Ferreira into the government, but it now appears that it will be only the conservative wing of the opposition party that is willing to join Bordaberry and the Colorados in governing Uruguay.

If some Blancos agree to come into the administration, it is likely that Bordaberry will have to move toward legislative reforms in education, banking, and agriculture. The cabinet will probably resign in order to give the President a free hand in overhauling his administration. A coalition of Colorados and conservative Blancos would give President Bordaberry a narrow legislative majority over liberal Blancos and the leftist Frente Amplio. This majority may be short lived, however, as there are already rumors of conservative Blanco defections to Ferreira. [REDACTED]

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### CASTRO IN EASTERN EUROPE

Fidel Castro, now in Hungary, has thus far apparently found it somewhat difficult to elicit any enthusiasm from his East European hosts.

His short visit to Bucharest was primarily a sightseeing tour. Romanian newspapers did report that talks between Castro and Ceausescu occurred in an "atmosphere of warm friendship and mutual respect." Relations between the two nations, however, are not warm. Romanian officials view the Cuban revolution with skepticism and often refer to it as "erratic" and "inefficient." Castro's pronouncements while in Bucharest carried the usual anti-US themes and included a pledge to support the North Vietnamese until final victory is achieved.

Because of the US-Soviet summit, Castro has by and large been moderate in his public discussions. In fact, the Cuban leader has seemed quite content simply to chat with the people who greet him along the way. It seems likely that Castro will remain relatively circumspect on the subject of the US-Soviet summit, at least until he completes discussions with Soviet leaders later this month. Castro's Hungarian stopover will continue until 6 June, when he will proceed to Poland. [REDACTED]

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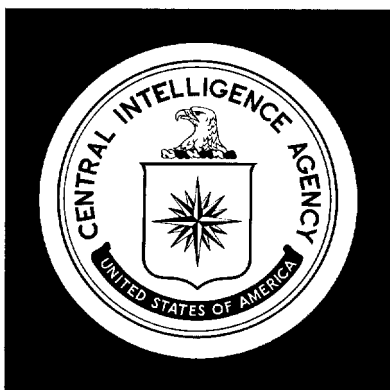
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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*UN: Conference on the Environment*


**Secret**

**Nº 43**

2 June 1972  
No. 0372/72A

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The UN-sponsored Conference on the Human Environment is scheduled to open in Stockholm on 5 June. The 12 day meeting is unlikely to produce agreements or to institute controls that will deal effectively with the world's environmental problems. But it may take some hesitant first steps in that direction. The conference should, for example, bring home the point that environmental protection is going to require multilateral and global cooperation. It will promote greater exchange of information, and it should help convince doubters that international action to preserve the environment is a matter of some urgency. The conference will also bring out the main obstacles to such cooperation—principally, the disparate concerns of the developed and less-developed countries, and the absence of a consensus on the appropriate role of international organizations.

#### Background

Despite the widespread interest in environmental problems in the post - World War II period and the increasing recognition that these problems are not neatly contained within national boundaries, the international response has been belated and inadequate. A number of UN agencies have undertaken environmental programs, but with little over-all coordination. Only in those international organizations with a European or Atlantic orientation (NATO, OECD, etc.) has much attention been given to multi-national action. Even in those bodies, the impetus has been supplied largely by the US, which is far in the lead in its research into the nature of the problem and the extent of the threat.

In 1968, Sweden proposed a UN Conference on the Human Environment and obtained the endorsement of both the Economic and Social Council and the General Assembly. Planning was handed over to a 27-nation preparatory committee and a small secretariat staff headed by Maurice Strong, a Canadian who has since been designated undersecretary general for environmental affairs and secretary general of the conference. The committee and staff have planned what is expected to be the largest international conference ever held under UN auspices; over

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1,500 official representatives will be in attendance.

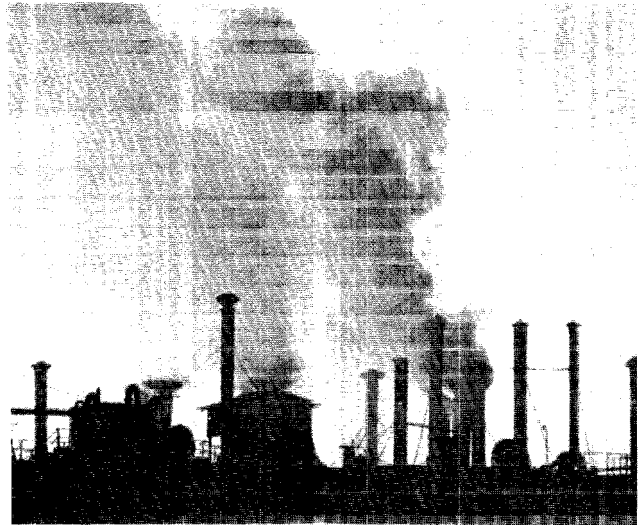
### Procedural Difficulties and Atmospherics

During the preparatory sessions, Moscow repeatedly warned that it would not attend the conference unless East Germany were granted equal status with West Germany. These threats became more explicit last January after the General Assembly chose the so-called "Vienna formula" giving the vote at Stockholm only to members of the UN or of UN-related agencies. Bonn meets this criterion; Pankow does not.

Since the General Assembly setback, Moscow's efforts to help the East Germans get to Stockholm have reached a dead end. Moscow's hope that Pankow would gain admission to a UN-related agency before the conference collapsed last month when the Assembly of the World Health Organization again voted by a large margin to defer the East German application for membership for another year. Likewise, Moscow's efforts to obtain de facto equal status for Pankow—by eliminating all voting at the conference and operating by consensus—have foundered because the Western powers are unwilling to rely on such procedures for so important a meeting.

Unless there is a sudden change of heart in Moscow, it therefore appears that the conference will open without representation from the USSR and other Warsaw Pact countries. This will not scuttle the meeting as many had feared it might. Soviet support of multilateral undertakings is grudging even in the best of circumstances, and the USSR was not expected to contribute very much at Stockholm. Moreover, a Soviet absence now would not preclude association with the work of the conference. Moscow, indeed, signed an environmental pact with the US during the Moscow summit.

Nevertheless, Soviet absence will dilute the international commitment at Stockholm to do something about shared ecological dangers. The Swedes, who recognize the need for Soviet co-operation in checking the serious pollution

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Fish killed by pesticides in Rhine



problems of the Baltic, will particularly regret their failure to show up. In addition, those countries that regard the conference principally as another opportunity to air their complaints against the industrialized nations will have no targets now except the West. And the Chinese, who have decided to participate, will be free to play upon these anti-Western themes.

In any case, it seems likely that emotions will often run high, and perhaps even get in the way of serious business at the conference. The host government itself, for example, is expected to push for adoption of contentious language regarding the testing of weapons of mass destruction, and it is under increasing pressure to put before the conference allegations of "ecocide" associated with US military operations in South-east Asia. Sweden is also permitting a number of official and non-official environmental meetings to convene in Stockholm at the same time as the UN conference. Most of them are likely to be dominated by radical elements intent on gaining the attention of the numerous media representatives on hand. There could, as a result, be some violence in the streets of Stockholm.

### The Planning to Date

Despite the procedural problems, the preparatory sessions have gone well, and a very ambitious agenda has been drawn up. It envisages that once credentials issues are resolved, work in committees will focus on six key topics:

- population growth and the quality of urban life;
- natural resources management;
- identification and control of pollutants of global significance;
- the need for international data exchanges;
- environmental implications of development programs;
- institutional arrangements required to enhance world-wide cooperative measures.

The plenary sessions will review the committees' findings. They will also adopt a declaration on the human environment. The negotiations so far on the text of this declaration strongly suggest that the conference will be more engaged with political than technical issues. Led by Brazil, many of the less-developed countries for some

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Mining in Australia  
Left: Dam building in Brazil

time have been suspicious that Stockholm could produce environmental controls which the industrial powers could tolerate and afford, but which would inhibit the poorer nations in exploiting their own resources. The current 23-paragraph declaration accordingly blends bland assertions on the need to upgrade national environmental programs with vague formulations calling for aid in carrying them out.

The plenary will also review an "action plan," worked out by Undersecretary General Strong's staff, which is based on some 3,300 pages of national submissions. The chief proposals in the plan call for a 100-station international network to monitor air pollution, a ten-year moratorium on commercial whaling, and an "earth-watch" to serve as an advance warning system on potentially adverse environmental effects. To put across the entire package—or even its main points—will require great effort and numerous political compromises, given the conflicting interests and the sensitivity of the sovereignty and budgetary issues involved.

To try to cope with the financial and institutional arrangements required for an effective multi-national program, the US in February proposed the creation of a voluntary UN Fund for the Environment, with a goal of \$100 million for its first five years. The idea was quickly endorsed by Undersecretary General Strong. The fund would support projects of truly global dimensions, such as the establishment of monitoring networks and the curbing of maritime pollution. Such projects would be coordinated by a special staff within the UN secretariat. No aid would be given from this fund to nations to tackle problems within their own borders.

The US had hoped for approval at Stockholm of stringent limits on the discharge of wastes by ocean-going vessels. That objective now appears no longer possible, however, in view of the failure of an ad hoc 30-nation conference at Reykjavik in April to produce the necessary agreement. All of the leading maritime states except the USSR were in Reykjavik, but agreement could not be reached because of disputes

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Earth Day in New York, April 1970.



over coverage of commercial ventures on and below the ocean floor, military activities including submarines and sonar devices, and transport through the Arctic Northwest Passage.

### Some Fundamental Problems

The industrial powers that are responsible for so much of the world's pollution are—with the exception of the US—generally not yet geared up for national fact-finding efforts in many areas of environmental concern. Moreover, despite the impressive contributions made by some of these countries in the preparatory sessions, they appear reluctant to make a real commitment to the work at Stockholm. As in so many UN matters, most nations have deep misgivings about agreements that might restrict their freedom of action or might subject their activities—in this case mainly economic—to international scrutiny.

The attitude of many less-developed countries is reflected in a paper of demands recently issued by the 41-member Organization of African Unity. The vituperative language of the paper somewhat obscures the fact that the problems raised in it are central to the outcome at Stockholm. On funding, for example, the paper cites a "polluters-must-pay" principle, but goes beyond it to demand reparations from the colonial nations that long exploited African resources. The developed countries will not, of course, subscribe to this notion, and they will insist that any money that might be forthcoming be earmarked exclusively for pollution controls and not used as multilateral assistance in another guise.

The financial issue is linked to another key question: should the desire of a poor nation to get its economy moving be affected by environmental standards or guidelines applicable worldwide? Both the Brazilian draft resolution to be offered at Stockholm and the African paper stress the permanent sovereignty of states over their natural resources in a manner that is antagonistic toward the idea of imposing international rules. A Swedish alternative draft resolution, which has won considerable support among Western states, favors a go-slow approach on imposing uniform standards.

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Planners had hoped that the Stockholm proceedings would serve to encourage greater regional cooperation—especially in the Third World—in tackling environmental problems. The African paper at several points emphasizes this idea. The sensitive issue of sovereignty, however, clouds the prospect for such cooperation. Brazil, to cite one example, is not willing to consider at all the Argentine point of view regarding Brazilian plans to construct dams on the upper sections of the Parana River (which later runs through Argentina). Brazil has secured language in the Stockholm draft declaration that advocates only the sharing of information on such projects.

Population control was originally viewed by the Swedes as one of the topics most worthy of consideration. It has become apparent that, while India and several other nations are receptive, the majority has no desire to debate this issue at Stockholm. The draft declaration merely states that population policies are to be those "deemed appropriate by governments concerned" and "without prejudice to basic human rights." Serious deliberation of the topic will probably be deferred until 1974, the World Population Year, when a World Population Conference will be held under the auspices of the Economic and Social Council.

### Conclusions

In light of the preparatory sessions and the broad problem areas, prospects for definitive action at Stockholm are not promising. The declaration on the human environment is going to lack teeth, and much of the "action plan" is unlikely to be accepted at this time. Nevertheless, information will be disseminated, views will be aired, and environmental activities will as a result be treated in a more formal way by the UN in the future. Thus, Stockholm is only the first step in a lengthy sorting-out process that will again test the capacity of nations to deal with problems that require the broadest kind of international cooperation and agreement.

Maurice Strong



### PROMINENT US ATTENDEES

Senator Howard Baker  
 Shirley Temple Black  
 Representative John Blatnik  
 Senator James Buckley  
 Senator Clifford Case  
 Representative John Dingell  
 Counselor John Ehrlichman  
 Representative Seymour Halpern  
 Christian Herter, Jr.  
 Senator Warren Magnuson  
 Representative Robert McClory  
 World Bank President Robert McNamara  
 Interior Secretary Rogers C.B. Morton  
 Senator Frank Moss  
 Senator Gaylord Nelson  
 Senator Claiborne Pell  
 S. Dillon Ripley  
 Laurance Rockefeller  
 EPA Director William Ruckelshaus  
 CEQ Chairman Russell Train  
 Senator Harrison Williams

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